Postal Regulatory Commission Submitted 12/28/2021 11:08:22 AM Filing ID: 120524 Accepted 12/28/2021

BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS, PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 67
(MC2020–16)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-15

USPS NOTICE OF AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 67, FILED UNDER SEAL

(December 28, 2021)

The Postal Service hereby provides notice that the terms of Priority Mail Express, Priority Mail & First-Class Package Service Contract 67, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express, Priority Mail & First-Class Package Service Contract 67 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective on the latter of the January 9, 2022 Rate Change, or one business day following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW Washington, D.C. 20260-1137 (202) 268-8405 <u>Sean.C.Robinson@usps.gov</u> December 28, 2021

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 67

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING PRIORITY MAIL EXPRESS, PRIORITY MAIL AND FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and "Customer") entered into a Shipping Services Contract, Priority Mail Express, Priority Mail & First-Class Package Service Contract 67/Docket No. CP2020-15, regarding Priority Mail Express, Priority Mail & First-Class Package Service on October 7, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.H, I.I, I.J, I.L, IV and V of the Contract; replace Tables A, C, D and E; remove Tables F and G; and add Tables 13 and 14 to the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective on the latter of the January 9, 2022 Rate Change, or one (1) business day following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.H, I.I, I.J, I.L, IV and V of the Contract; replace Tables A, C, D and E; delete Tables F and G; and add Tables 13 and 14 to the Contract, as follows.]



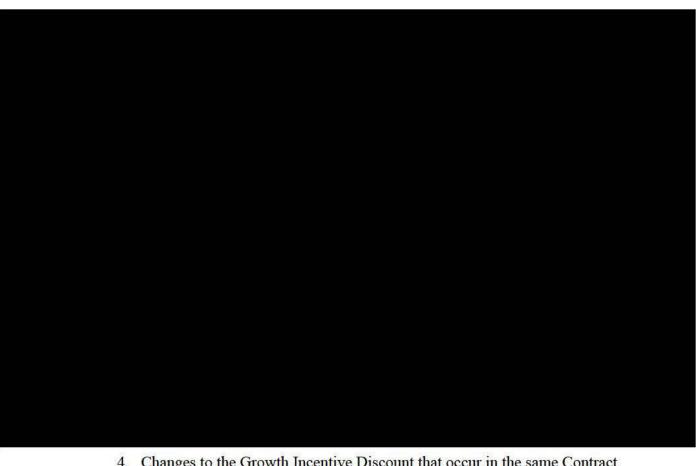


I. Terms

H. Baseline Contract Package Rate Tables. The respective discounts found in Tables 3 through 14 apply to Priority Mail Express and Priority Mail Contract Packages shipped using payment methods set forth in Attachment A.



- I. Growth Incentive Tables. The Postal Service will extend an additional overall Growth Incentive discount if the volume of Total Packages shipped meets the criteria set forth in Tables D and E below. Eligibility for these additional discounts will be evaluated and determined on a quarterly basis.
 - 1. Beginning January 1, 2022, and in subsequent Contract Quarters through March 31, 2023, the Growth Incentive discount set forth in Table D will be added to the base discount applied to certain Contract Package categories. The applicable discount will be based on the quantity of Total Packages shipped in the most recent four (4) Contract Quarters.
 - 2. Beginning April 1, 2023, and in subsequent Contract Quarters, the Growth Incentive discounts set forth in Table E will be added to the base discount applied to certain Contract Package categories. The applicable discount will be based on the Growth % in Total Packages shipped in the most recent four (4) Contract Quarters over SPLY.
 - 3. The Growth Incentive discount will only be available for the following Contract Package categories.
 - a. Priority Mail Express weight-based packages that do not exceed
 b. Priority Mail Express Flat Rate Envelopes
 c. Priority Mail weight-based packages that do not exceed
 d. Priority Mail Flat Rate Envelopes
 e. Priority Mail Flat Rate Boxes
 j. and
 f. Priority Mail Regional Rate Boxes



- 4. Changes to the Growth Incentive Discount that occur in the same Contract Quarter as the Baseline Discount change, will be effective on the same date as the Base Tier change.
- J. Positioning and Support Discount.
 - 1. Customer will qualify for an additional discount of "Positioning Discount") on the Effective Date of the Amendment, provided that the following conditions are met:
 - a. Customer must position the Postal Service as its "Preferred Shipping Provider";
 - b. Customer's must display the Postal Service as the default and only shipping carrier; and
 - Sellers must "click" and proceed to another page to see other carrier selections.
 - 2. Qualification for the Positioning Discount will be evaluated by the Postal Service during Quarterly Business Reviews, pursuant to Section I.M.
 - 3. The Postal Service will remove or reinstate, where applicable, the Positioning Discount within fifteen (15) calendar days of the close of a Contract Quarter, in which the Postal Service notified Customer of its decision to do so.
 - 4. Both Parties acknowledge and agree that shall be excluded from determining whether the Postal Service is found to be

- Customer's Preferred Shipping Provider, and from Customer's eligibility for the Positioning Discount.
- 5. The Positioning Discount is solely available for the following Contract Package categories:

a.	Priority Mail Express weight-based packages that do not	exceed	
		;	
b.	Priority Mail Express Flat Rate Envelopes		
c.	Priority Mail weight-based packages that do not exceed		
	;		
d.	Priority Mail Flat Rate Envelopes	;	
e.	Priority Mail Flat Rate Boxes		
	; and		_
f.	Priority Mail Regional Rate Boxes		

6. Customer will no longer be eligible for the Positioning Discount upon notifying the Postal Service of their termination of the Contract.

Tables F & G [Deleted.]

L. Price Adjustments

- 1. Priority Mail Express Contract Package Pricing. Throughout the term of the Contract, and any extension period following the Contract term, Customer will pay prevailing published Priority Mail Express Commercial Plus prices, less any applicable discounts found in Tables 3, 5, 7, 9, 11, 13 and D, including the Positioning Discount referenced in Section I.J, if eligible, and rounded up to the nearest whole cent.
- 2. Priority Mail Contract Package Pricing. Throughout the term of the Contract, and any extension period following the Contract term, Customer will pay prevailing published Priority Mail Commercial Plus prices, less any applicable discounts found in Tables 4, 6, 8, 10, 12, 14 and E, including the Positioning Discount referenced in Section I.J, if eligible, and rounded up to the nearest whole cent.

IV. Expiration Date, Term and Termination

This Contract shall expire on March 31, 2024, unless:

- 1. Terminated by either Party with ninety (90) calendar days' notice to the other Party in writing;
- 2. Renewed by mutual agreement in writing and subsequent approval by the Commission;
- 3. Superseded by a subsequent contract between the Parties;
- 4. Ordered by the Commission or a court; or

5. Required to comply with subsequently enacted legislation.

If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to Contract's expiration date.

V. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the
amount of postage paid, or other implementation or operational issues under this Contract by
submitting a written appeal via email, along with any and all supporting documentation, within
thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal
to: The appeal is forwarded to the Pricing and Classification Service
Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not
appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE		
Signed by: Jacqueline krage strako		
Printed Name: Jacqueline Strako		
Title: Chief Commerce & Business Solutions Officer and Executive Vice President 12/22/2021		
Date:		

ATTACHMENT B SIGNED CERTIFICATION

Certification of Prices for Amendment to

Priority Mail Express, Priority Mail & First-Class Package Service Contract 67

I, Lisa H. Arcari, Director, Domestic Package Pricing, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express, Priority Mail & First-Class Package Service Contract 67. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Lisa Arcari Digitally signed by Lisa Arcari Date: 2021.12.28 10:55:24 -05'00'

Lisa H. Arcari